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## INFORMATION REPORT

COUNTRY

Ecuador

DATE DISTR.

24 November 1948

SUBJECT

Expose of Fraudulent Use of Labor Funds by

Communist Leaders in Ecuador

Prior to 25 October 1948

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SUPPLEMENT TO REPORT NO.

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- 1. The expose of the fraudulent use of labor funds by Communist leaders in Ancon and Guayaquil has produced the following results:
  - a. The workers' confidence of the Communist leaders has been shaken.
  - b. The Socialists have been given a long-awaited chance to enlist support of the workers and to discredit Pedro Saad as the representative of the CTAL in Ecuador.
  - c. A split is developing between the Communist leaders in Guayaquil.
  - d. The expose has cancelled the possibility that the Congress of Oil Workers might be held in Ecuador, as it was tentatively planned.
  - e. The Communist representatives from the University of Guayaquil, who give weekly instruction to the workers of the Ancon Universidad Popular, have been met with angry inquiries as to the misuse of workers' funds.
- 2. Communist leaders in Guayaquil have privately accused the Socialists of plotting the entire affair in an effort to disparage Communist leaders to enhance their chances of obtaining the high labor positions now held by Communists, and to gain more popular support with the workers. The Communists also accuse the Socialists of being particularly interested in discrediting Pedro Saad, who shortly will be in the position of desiring the renomination as CTAL representative in Ecuador.
- 3. Because of the disunity now present in the Oil Workers Federation in Ecuador, it is expected that the Congress of Oil Workers of Latin America will avail themselves of the invitation offered recently by Venezuela to hold the meeting there.

